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## GENERAL

1. Possibility of Satellite union reported—US Ambassador Chapin at The Hague has been informed by the Israeli Minister there that a Communist "friend" (evidently the Hungarian Minister at The Hague)recently remarked that "one should not be surprised" at the development of a political union between Rumania, Hungary, Bulgaria, and Czechoslovakia. Source also stated that he had been given the impression that the first move in establishing such a political union would be the creation of a Southeast European grouping, partly as a counterpoise to the Atlantic Pact. Source commented that although such a union might eventually be incorporated into the USSR, such action would be deferred indefinitely.

(CIA Comment: Although the formation of a Southeast European grouping cannot be discounted entirely as a possible Soviet effort to counter the growing consolidation of Western Europe, such a move by the Kremlin is not likely at this time. The establishment of a federation of Satellites would increase the possibility of collusion among Satellite leaders which might lead to a defection similar to Tito's. CIA has no evidence that the USSR has been able to eliminate Satellite nationalism sufficiently to justify assuming the risk inherent in establishing such a bloc at present.)

